

SAM – TRUST AND AGENCY FUNDS (FEDERAL)

CHAPTER 17000 INDEX

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SAM – TRUST AND AGENCY FUNDS (FEDERAL)

DEFINITION OF FEDERAL FUNDS

17105

(From MM 80-18; New to SAM 3/1982)

The following definition of Federal funds is to be used for the purpose of identifying those monies remitted to the State Treasury which must be deposited in the Federal Trust Fund:

Federal funds are all monies received directly from the United States Government, the expenditure of which is administered through or under the direction of any State agency and reported as Federal Trust Fund monies in the "Reconciliation with Appropriations" in the Governor's Budget. As discussed in SAM Chapter 6000, no distinction is made between Federal reimbursements and Federal grants; and, therefore, all money received directly from the United States Government, with the exception of revenues as defined below, is to be treated as a source of funds and reported as Federal Trust Fund monies in each department's budget. Revenue, as defined by SAM Chapter 6000, is an addition to cash or other current assets which does not increase any liability or reserve, nor represent the recovery of an expenditure, e.g., reimbursements and abatements, and should be accounted according to procedures contained in SAM Chapter 8200. Some examples of revenue are: sale of documents, sale of water, rentals of State property, sale of forest products, and sale of State public lands.

If for any reason a department has budget money received directly from the United States Government as a reimbursement, this money is also required to be deposited in the Federal Trust Fund. In these instances, the department should contact its Department of Finance budget analyst for possible reclassification of these monies from reimbursed expenditures to Federal Trust Fund source of funding. Only monies received directly from the Federal Government will be classified as Federal funds. Federal monies passed from one State agency to another will be classified by the second agency as reimbursements.

SAM – TRUST AND AGENCY FUNDS (FEDERAL)

TO ESTABLISH OR AMEND A FEDERAL TRUST FUND ACCOUNT (Revised 12/2004)

17115

To establish a new Federal Trust Fund account, or to amend an existing account, departments will complete a Request to Establish or Amend Federal Trust Fund Account form, AUD 10A. The AUD 10A form is available on the SCO website: http://www.sco.ca.gov/Files-ARD/state_aud10a.pdf. Completed forms will be sent to the SCO, Division of Accounting and Reporting for approval.

SAM – TRUST AND AGENCY FUNDS (FEDERAL)

YEAR-END REPORTING

17130

(Revised 06/2010)

All departmental Federal Trust Fund accounts are maintained on a modified accrual basis throughout the year. Under the modified accrual basis of accounting, expenditures are accounted for in the period in which goods and services are received and a liability is incurred. Expenditures are accrued at June 30 for all valid obligations incurred as of June 30 but not yet paid. Liabilities may be incurred at any time throughout the year; however, accruals are posted only at year-end. Accounts receivable are accrued at June 30 if they have been earned and are expected to be collected within one year after the end of the current fiscal year. The accrual process brings the State Controller's Office accounts, which are maintained on a cash basis, in line with departmental accounts.

General instructions in SAM covering the State's fiscal procedures are applicable to the Federal Trust Fund.

SAM – TRUST AND AGENCY FUNDS (FEDERAL)

(Continued)

FEDERAL TRUST FUND GENERAL LEDGER ENTRIES

17135 (Cont. 1)

(Revised 9/1982)

Debit	Credit	
9000		Appropriation Expenditures
	1140	Cash in State Treasury

To record disbursement of money from the Federal Trust Fund when the appropriation is for transfer to another fund:

Debit	Credit	
9812		Operating Transfers Out
	1140	Cash in State Treasury

To record a payable when Federal funds are appropriated and expended from the Federal Trust Fund:

Debit	Credit	
9000		Appropriation Expenditures
	3010	Accounts Payable, or
	3110	Due to Other Funds or Appropriations, or
	3210	Due to Federal Government, or
	3220	Due to Local Government

To record a payable when the authorized or appropriated expenditure of Federal funds occurs in another fund:

Debit	Credit	
9812		Operating Transfers Out
	3110	Due to Other Funds or Appropriations